



Sen. Thomas Cullerton

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09900SB3161sam001

LRB099 17885 NHT 46252 a

1 AMENDMENT TO SENATE BILL 3161

2 AMENDMENT NO. _____. Amend Senate Bill 3161 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 College Debit and Prepaid Card Services Regulation Act.

6 Section 5. Definitions. In this Act:

7 "Account" means an account that is managed or operated by a
8 third-party financial firm and that is opened to facilitate the
9 financial aid refund disbursement process.

10 "Financial aid funds" means financial aid funds under Part
11 B of Title IV of the federal Higher Education Amendments of
12 1998 (Public Law 105-244), including credit balances.

13 "Financial aid refund disbursement process" means the
14 process of returning to a student the student's financial aid
15 funds that are in excess of eligible education costs,
16 including, but not limited to, fees and tuition.

1 "Revenue sharing" means payment from a third-party
2 financial firm to a public or private post-secondary
3 institution of education based on the balances or account
4 activity of the accounts offered by the third-party financial
5 firm to students enrolled at the public or private
6 post-secondary institution of education.

7 "Third-party financial firm" means a company, business, or
8 other organization that contracts with a public or private
9 post-secondary institution of education to provide
10 disbursement and management services of financial aid funds or
11 management of financial accounts to students enrolled in the
12 public or private post-secondary institution of education.

13 Section 10. College debit and prepaid card services
14 regulation.

15 (a) If contracting with third-party financial firms for
16 disbursement and management services of financial aid funds or
17 for management of financial accounts, the governing board or
18 governing entity of a public or private post-secondary
19 institution of education that enrolls one or more students who
20 receive State or federal financial aid shall review and approve
21 the contract after considering guidelines and policies
22 established and recommended by the United States Consumer
23 Financial Protection Bureau and the United States Department of
24 Education.

25 (b) A contract between a public or private post-secondary

1 institution of education and a third-party financial firm for
2 services described in subsection (a) of this Section may not
3 permit:

4 (1) revenue sharing;

5 (2) the third-party financial firm to charge a fee for
6 the initial disbursement of the financial aid funds in an
7 academic term to the student in paper check form or in an
8 electronic funds transfer;

9 (3) the third-party financial firm to charge a
10 transaction fee for debit or similar transactions from an
11 account; or

12 (4) the third-party financial firm to charge a fee for
13 inactivity in an account.

14 (c) A public or private post-secondary institution of
15 education that contracts with a third-party financial firm
16 shall:

17 (1) make the contract available for public inspection;

18 and

19 (2) publish the contract on the Internet website
20 operated by or for the public or private post-secondary
21 institution of education.

22 (d) If a public university or public community college
23 negotiates a contract with one or more third-party financial
24 firms to provide disbursement and management services of
25 financial aid funds or management of financial accounts to
26 enrolled students, the public university or public community

1 college shall undertake reasonable efforts to establish
2 collaboration agreements with other public universities or
3 public community colleges to negotiate the services."